

**REMARKS**

Claims 1-35 are pending in the present application. Claims 1, 6, 15, and 26 are amended to clarify what Applicants intended to claim as their invention. New claim 35 is added. Claims 1, 6, 15, 26, and 35 contain no new matter and are supported by the specification, including page 2, lines 6-13, page 10, lines 22-31, and page 12, lines 9-11.

The Office Action rejected claims 1-34 are rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,085,172 to Junger ("Junger"). Applicants traverse this rejection because Junger fails to teach each and every claim element.

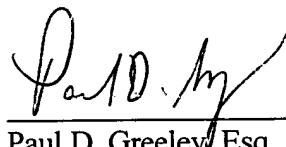
Junger teaches only conditions that are directly associated with the product being returned. Junger teaches only conditions intrinsic to the product, such as "the warranty period may have expired, the serial number might not have been registered, an invalid serial number may have been received, the packaging may be missing, a major component of the product may be missing, or the item might be non-returnable as part of the conditions of sale." (Junger, col. 7 lines 7-14). By contrast, the claimed invention includes a "business condition being extrinsic to said list of items to be returned."

Independent claims 1, 15, and 26 recite "said business condition being extrinsic to said list of items to be returned". Some business conditions that are extrinsic to the items being returned include a current business condition, a current market condition, an inventory level, a current demand, a weather condition, and a seasonal factor, as recited in claim 6. Additional extrinsic conditions include a purchase and return history of said customer, a value of continued business with said customer, and a small number of returns from said customer, as recited in claim 35. The remaining claims depend, directly or indirectly, from independent claims 1, 15, and 26, and, therefore inherit all the patentable subject matter of the independent claims. Therefore, claims 1-35 are patentable over Junger.

In view of the foregoing, Applicants respectfully submit that all of the claims in the present application are patentably distinguishable over the references cited in the Office Action. Accordingly, Applicants respectfully request that the claims be reconsidered and passed to allowance.

Respectfully submitted,

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